

hours. Employees are encouraged to consult these basic materials in any case of doubt as to the proper application or interpretation of the provisions of this subpart.

(c) Attention of all employees is directed to House Concurrent Resolution 175, 85th Congress, 2d session, 72 Stat. B12, the "Code of Ethics for Government Service", which is attached to this subpart as Appendix A.

§ 100.735-6 Interpretation and advisory service; counseling.

(a) The agency head shall appoint a Counselor for the agency who shall serve also as the agency's designee to the Civil Service Commission on matters covered by this part. Communications between the Counselor and employee shall be confidential, except as otherwise determined by the agency head.

(b) The Counselor for the agency shall notify all employees and special Government employees of the availability of counseling services, and of how and where such services are available. Such notification shall be made within 90 days after the effective date of this subpart and periodically thereafter. In the case of a new employee or special Government employee appointed after the date of such notification, notification shall be given at the time of his entrance on duty.

§ 100.735-7 Disciplinary action.

(a) A violation of any provision of this subpart by an employee may be cause for appropriate disciplinary action which may be in addition to any penalties prescribed by law. (As to remedial action in cases where an employee's financial interests result in a conflict or apparent conflict of interest, see § 100.735-26.)

(b) Any disciplinary or remedial action taken pursuant to this subpart shall be effected in accordance with any applicable laws, Executive orders, and regulations.

§ 100.735-8 Conflicts of interest.

(a) A conflict of interest may exist whenever an employee has a substantial personal or private interest in a matter which involves his duties and responsibilities as an employee. The

maintenance of public confidence in Government clearly demands that an employee take no action which would constitute the use of his official position to advance his personal or private interest. It is equally important that each employee avoid becoming involved in situations which present the possibility, or even the appearance, that his official position might be used to his private advantage.

(b) Neither the pertinent statutes nor the standards of conduct prescribed in this subpart are to be regarded as entirely comprehensive. Each employee must, in each instance involving a personal or private interest in a matter which also involves his duties and responsibilities as an employee, make certain that his actions do not have the effect or the appearance of the use of his official position for the furtherance of his own interests or those of his family or his business associates.

(c) The principal statutory provisions relating to bribery, graft, and conflicts of interest are contained in Chapter 11 of the Criminal Code, 18 U.S.C. 201-224. Severe penalties are provided for violations, including variously fine, imprisonment, dismissal from office, and disqualification from holding any office of honor, trust, or profit under the United States.

§ 100.735-9 Disqualification because of private financial interests.

(a) Unless authorized to do so as provided hereafter in this section, no employee shall participate personally and substantially as a Government employee in a particular matter in which to his knowledge he has a financial interest (18 U.S.C. 208).

(1) For the purposes of this section—

(i) An employee participates personally and substantially in a particular matter through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise;

(ii) A particular matter is a judicial or other proceeding, application, request for ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter; and

(iii) A financial interest is the interest of the employee himself or his

spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment.

(b) An employee who has a financial interest (other than a financial interest exempted under paragraph (c) of this section) in a particular matter which is within the scope of his official duties shall make a full disclosure of that interest to the Counselor for the agency in writing. He shall not participate in such matter unless and until he receives a written determination by the agency head pursuant to section 208 of Title 18, United States Code, that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect of him. If the agency head does not make such a determination he shall direct such remedial action as may be appropriate under the provisions of § 100.735-26.

(c) The financial interests described in this paragraph are hereby exempted pursuant to the provisions of section 208 of Title 18, United States Code, from the restrictions of paragraph (a) of this section and of section 208 of Title 18 as being too remote or inconsequential to affect the integrity of an employee's services in a matter.

(1) Stocks, bonds, policies, properties, or interests in a mutual fund, investment company, trust, bank, or insurance company, as to which the employee has no managerial control or directorship. In the case of a mutual fund or investment company, this exemption applies only where the assets of the fund or company are diversified; it does not apply where the fund or company advertises that it specializes in a particular industry or commodity.

(2) Interest in an investment club: *Provided*, That the fair value of the interest involved does not exceed \$5,000, and that the interest does not exceed one-fourth of the total assets of the investment club.

§ 100.735-10 Additional prohibitions—regular employees.

(a) In addition to the disqualification described in § 100.735-9, a regular em-

ployee is subject to the following major prohibitions.

(1) He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest. This prohibition applies both to paid and unpaid representation of another (18 U.S.C. 203 and 205).

(2) He may not, after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and in which he participated personally and substantially for the Government (18 U.S.C. 207(a)).

(3) He may not, for 1 year after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of his official responsibility during the last year of his Government service (18 U.S.C. 207(b)). (This temporary restraint is permanent if the matter is one in which he participated personally and substantially. See subparagraph (2) of this paragraph.)

(4) He may not receive any salary, or supplementation of his Government salary, from a private source as compensation for his services to the Government (18 U.S.C. 209). (See § 100.735-13.)

(b) Exemptions or exceptions from the prohibitions described in paragraph (a) of this section are permitted under certain circumstances. For the method of obtaining such exemptions or exceptions, see paragraph (d) of § 100.735-12.

§ 100.735-11 Additional prohibitions—special Government employees.

(a) In addition to the disqualification described in § 100.735-9, a special Government employee is subject to the following major prohibitions.

(1) He may not, except in the discharge of his official duties—

(i) Represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest and in which he has at any time participated personally and substantially for the Government (18 U.S.C. 203 and 205), or